

One Hundred Tenth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Thursday,
the fourth day of January, two thousand and seven*

An Act

To amend the Higher Education Act of 1965 to make technical corrections.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. DEFINITION OF UNTAXED INCOME AND BENEFITS.

(a) AMENDMENT.—Section 480(b) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(b)) is amended by striking paragraph (2) and inserting the following:

“(2) The term ‘untaxed income and benefits’ shall not include—

“(A) the amount of additional child tax credit claimed for Federal income tax purposes;

“(B) welfare benefits, including assistance under a State program funded under part A of title IV of the Social Security Act and aid to dependent children;

“(C) the amount of earned income credit claimed for Federal income tax purposes;

“(D) the amount of credit for Federal tax on special fuels claimed for Federal income tax purposes;

“(E) the amount of foreign income excluded for purposes of Federal income taxes; or

“(F) untaxed social security benefits.”.

(b) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect on July 1, 2009.

SEC. 2. INCOME-BASED REPAYMENT FOR MARRIED BORROWERS FILING SEPARATELY.

Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended by adding at the end the following:

“(d) SPECIAL RULE FOR MARRIED BORROWERS FILING SEPARATELY.—In the case of a married borrower who files a separate Federal income tax return, the Secretary shall calculate the amount of the borrower’s income-based repayment under this section solely on the basis of the borrower’s student loan debt and adjusted gross income.”.

SEC. 3. TEACH GRANTS TECHNICAL AMENDMENTS.

Subpart 9 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070g et seq.) is amended—

(1) in section 420L(1)(B), by striking “sound” and inserting “responsible”; and

(2) in section 420M—

(A) by striking “academic year” each place it appears in subsections (a)(1) and (c)(1) and inserting “year”; and

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(B) in subsection (c)(2)—

(i) by striking “other student assistance” and inserting “other assistance the student may receive”; and

(ii) by striking the second sentence.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*